

Morning Alert - Monday, October 17, 2016

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HEADLINES

Morning news

NHK and most national dailies gave top play to a report that opposition-backed Ryuichi Yoneyama, who takes a cautious stance on restarting the Kashiwazaki-Kariwa nuclear plant, won the gubernatorial election in Niigata on Sunday. NTV and TBS led with reports that Tokyo Governor Koike visited a boat race course in Miyagi Prefecture on Saturday, which has been proposed as an alternative site for the rowing and canoe sprint events at the 2020 Tokyo Olympics and Paralympics. Other top news included a follow-up report on the Toyosu fish market issue.

<u>Nikkei</u> led with a report saying that the GOJ is considering proposing joint administration of the Northern Territories with Russia.

INTERNATIONAL

U.S. detects failed North Korean missile launch

All Monday papers wrote that the U.S. Strategic Command said on Saturday that it detected an unsuccessful missile launch by North Korea from an airfield near the northwestern city of Kusong. The projectile appeared to be a Musudan intermediate-range ballistic missile, which has a potential range of 2,500 to 4,000 km, making it capable of reaching Japan and Guam. Asahi speculated that the launch was intended to send a warning to the U.S. and South Korea in view of their joint military drills in waters near the Korean Peninsula from Oct. 10 to 15. An unnamed Pentagon official reportedly condemned North Korea for conducting missile tests. Defense Minister Inada said on Sunday that the failed launch will not have any immediate impact on Japan's security.

Top military officials from U.S., Japan, ROK discuss cooperation against North Korea

Saturday evening's Asahi wrote that the chairmen of the Joint Chiefs of Staff from the U.S., Japan, and South Korea held talks at the Pentagon on Friday and confirmed trilateral cooperation against North Korea. This was the first time for the top military officers from the three nations to meet since Pyongyang conducted its fifth nuclear test. The paper wrote that Gen. Dunford stressed to his Japanese and ROK counterparts that the United States will fulfill its defense obligations to their nations in view of the threat North Korea poses to their nations.

U.S., Japanese officials confirm cooperation in resolving abduction issue

Saturday morning's Asahi and Yomiuri wrote that Abduction Minister Kato and Special Envoy for North Korean Human Rights Issues King held talks in Tokyo on Friday and confirmed close cooperation between the U.S. and Japan in resolving the abduction issue. According to an official at the GOJ taskforce on the abduction issue, King said that the U.S. will provide as much support as possible in response to Kato's remarks that Japan cannot afford to waste even a day in reuniting the abductees and their families.

Japanese abductee Matsumoto may still be alive in Pyongyang

Sunday's Sankei front-paged a Kyodo report saying that Choi Seong Ryong, the head of a support group for the families of South Korean nationals abducted by North Korea, said on Saturday that he has learned from a source in Pyongyang that Kyoko Matsumoto, a Japanese woman believed to have been abducted by North Korea decades ago, has been admitted to a Red Cross hospital in Pyongyang for severe vision impairment and complications arising from gout. A GOJ source commented on the report by saying that the government is aware of the information but has not yet confirmed it. Matsumoto's brother told Sankei that he has not heard any news of his sister and has doubts about the credibility of the information.

Japanese, Mongolian leaders confirm cooperation against North Korea

Most Saturday morning papers wrote that Prime Minister Abe held talks with his Mongolian counterpart Erdenebat on Friday at the Kantei and confirmed their nations' continued cooperation in responding to North Korea's nuclear tests and abduction of Japanese nationals. The two leaders also confirmed economic cooperation between their nations, including the implementation of their economic partnership agreement.

ROK defense minister acknowledges need for GSOMIA with Japan

Saturday morning's Asahi wrote that South Korean Defense Minister Han Min-goo commented on the possibility of concluding a general security of military information agreement (GSOMIA) with Japan during a parliamentary session on Friday by saying that he is fully aware of the importance of the agreement and the growing need for an accord with Japan in response to North Korea's nuclear and missile development.

Comfort women foundation to begin disbursing funds

All Saturday morning papers wrote that the Reconciliation and Healing Foundation established by the South Korean government to support former comfort women announced on Friday that it has decided to begin as early as next week disbursing the money donated by the Japanese government to the women. Forty-six former comfort women were still alive as of December 2015 when an agreement was reached by Japan and South Korea over the issue, and 29 of them have said they will accept the money.

ASDF scrambles a record 208 times against Chinese aircraft in July-September period

Most Saturday morning papers wrote that the SDF Joint Staff Office announced on Friday that in the July-September period ASDF fighter jets conducted a record 208 scrambles against Chinese aircraft, nine more than in April-June period. The area of Chinese activity is expanding as evidenced by the fact that Chinese fighters flew between the main island of Okinawa and Miyako Island on Sept. 25. The total number of scrambles against foreign aircraft also increased by 32 to 313, including an increase in scrambles against Russian aircraft, up 24 to 103.

Japan, China to seek agreement on maritime search and rescue

Sunday's Nikkei wrote that the GOJ is seeking to reach an agreement with China by the end of the year on bilateral cooperation in maritime search and rescue mainly in the East China Sea. The agreement, which will be based on the International Convention on Maritime Search and Rescue, is aimed at preventing maritime incidents from aggravating overall relations between the two nations. Japan has similar agreements with the U.S., Russia, and South Korea. Although relations between Tokyo and Beijing remain tense over China's unilateral gas field development, the two nations will seek to reach a search and rescue agreement at a meeting between Prime Minister Abe and Chinese Premier Li in Tokyo in early December.

Japan to propose joint governing of Northern Territories

Monday's <u>Nikkei</u> gave top play to a report saying that it has learned from several sources connected to Japan-Russia relations that the GOJ is considering joint administration of the Northern Territories as a way to achieve a breakthrough in its territorial talks with Russia. The plan may help Japan and Russia reach a compromise without dropping their claims to the disputed islands. The specific islands subject to joint control and how much governing authority will be granted to each country would be worked out in future talks. The idea is part of the "new approach" that Prime Minister Abe proposed to President Putin during their meeting in Sochi in May, and the premier hopes to discuss the idea with Putin when they meet again in Yamaguchi on Dec. 15.

Putin proposes "energy bridge" between Sakhalin and Hokkaido

Sunday's Sankei wrote that concerning economic cooperation between Japan and Russia, President Putin has shown strong interest in the idea of installing underwater cables between Sakhalin and Hokkaido to provide electricity to Japan. According to the paper, Putin has already expressed

interest in this "energy bridge" idea to Japan. However, the GOJ is studying the idea very carefully out of concern over the risks associated with depending on a foreign nation for energy.

Aung San Suu Kyi to visit Japan in November

Monday's Yomiuri wrote that it has learned from several GOJ sources that arrangements are being made for Myanmar's State Counselor and Foreign Minister Aung San Suu Kyi to visit Japan on Nov. 2-5 to hold talks with Prime Minister Abe and Foreign Minister Kishida. The leader of Myanmar will probably discuss with the GOJ leaders Japan's investment and economic cooperation for infrastructure development in the nation.

Japan withholds dues to UNESCO, possibly over listing of documents on Nanjing Massacre

Saturday morning's Sankei and Yomiuri wrote that Foreign Minister Kishida stated at a news conference on Friday that Japan has been withholding this year's financial contributions to UNESCO totaling some 4.4 billion yen. Although Kishida did not provide a specific explanation, the papers speculated that domestic criticism of the UN body for listing Chinese documents relating to the 1937 Nanjing Massacre in the Memory of the World Register last year is behind Japan's decision.

SECURITY

Defense minister discloses plan for USMC Osprey test flight at Saga Airport

Saturday morning's Sankei wrote that Defense Minister Inada said at a news conference on Friday that the Defense Ministry is considering having a USMC MV-22 Osprey conduct a test flight at Saga Airport in November or later. Inada said that the ministry is considering using Saga Airport as a way to share Okinawa's base-hosting burden with the mainland.

Osprey to make preparatory flight to GSDF Kisarazu base

Monday's Tokyo Shimbun front-paged a report saying that it has learned from a GOJ source that the governments of the U.S. and Japan are making arrangements for a Futenma-based Osprey to fly to the GSDF Kisarazu base in Chiba Prefecture, which is being considered as a maintenance site for the aircraft, in later this month. The mayor of Kizarazu and other municipality officials plan to ride on the aircraft to demonstrate its safety in order to win local understanding for hosting the Osprey.

Defense Ministry to request 200-300 billion yen for missile defense in supplementary budget

Monday's Sankei front-paged a report saying that the Ministry of Defense is considering requesting 200 to 300 billion yen for missile defense in the third supplementary budget for fiscal 2016. The ministry will seek funds to procure equipment that will improve Japan's missile defense capabilities, including the PAC-3 MSE, an improved version of the PAC-3 interceptor.

ECONOMY

Japan to accelerate Diet deliberations on TPP

All Saturday morning papers reported on the start on Friday of Diet deliberations on the TPP-related bills, during which TPP Minister Ishihara stressed the importance of Japan approving the TPP agreement ahead of the U.S. to boost momentum for the early effectuation of the accord.

Asahi wrote that the GOJ is keen to seek swift approval of the agreement based on the view that the TPP is more significant than just a trade agreement for Japan, quoting Prime Minister Abe as saying that strengthened economic ties between nations that share common values will help stabilize the region. The paper speculated that the presence of China, which is not participating in the TPP and is building military bases in the South China Sea, is behind Abe's statement. A senior MOFA official was quoted as saying that the United States' presence in Asia will decline and China may become more aggressive if the TPP is derailed. Mainichi expressed a similar view by saying that Japan intends to counter China by establishing an economic framework led by the U.S. and Japan in the Asia Pacific.

U.S. to continue to monitor Japan's currency policy

Most Saturday evening and Sunday papers wrote that the Treasury Department said in its semiannual <u>report</u>on exchange rates released on Friday that it is keeping Japan and other nations on a list of countries whose currency practices it is monitoring. The papers wrote that the report warned Japan against intervening in currency markets by saying that Japanese authorities have characterized yen-dollar movements as "rough" and warned that they may take action if necessary, but the dollar-yen foreign exchange market has been functioning "smoothly." The papers speculated that the Obama administration is hoping that listing Japan and other nations on its currency watch list will help urge Congress to approve the TPP agreement by expressing a tough position toward trade partners of the U.S.

JAL to launch Haneda-New York service

Asahi and most other Saturday morning papers wrote that Japan Airlines plans to start direct flight service between Tokyo's Haneda and New York next April. The carrier has effectively been prohibited by the Transport Ministry from opening new routes due to the domestic criticism that it received a large volume of public funds during its bankruptcy proceedings. However, this ban will be lifted in the next fiscal year starting on April 1. According to a source connected to the issue, JAL has submitted requests to Tokyo's Haneda Airport and JFK International Airport in New York for its planned service connecting these two airports.

Global cooperation to speed up patent applications

Friday evening's <u>Nikkei</u> front-paged a report saying that the patent offices of the U.S., Japan, China, South Korea, and the EU will begin cooperating on preliminary patent research in a bid to speed up the application process. Currently, the patent office of the country of application is responsible for

checking if similar patents already exist elsewhere in the world. However, under the new system, the patent offices of the nations and the region will help each other to conduct this research. The move is expected to improve the quality of preliminary patent research and reduce the number of changes at the examination stage in order to shorten the time required to obtain patents.

Prospects look bleak for post-Monju joint project with France

Sunday's Asahi wrote that an official at the Alternative Energies and Atomic Energy Commission of France commented on Friday on envisaged joint research between Japan and France on a fast breeder reactor to replace Monju. The official told a group of Japanese journalists that France will not decide until 2019 whether to construct a reactor based on the Advanced Sodium Technological Reactor for Industrial Demonstration (ASTRID) project. The official also said that France may seek a partnership with Russia, which also has a fast breeder reactor, and seek financial contributions from Japan if Tokyo decides to decommission Monju because Paris plans to use Monju for experiments.

POLITICS

Anti-nuclear candidate's victory in Niigata gubernatorial election rattles ruling coalition

Most Monday morning papers gave top play to reports on the victory of Ryuichi Yoneyama, a candidate backed by the Japanese Communist Party and two other small opposition parties, in the gubernatorial election in Niigata Prefecture on Sunday. Yoneyama takes a cautious position on the resumption of operations at the Kashiwazaki-Kariwa Nuclear Power Plant in the prefecture. Asahi speculated that although the governor has no legal authority to prevent the resumption of operations at the nuclear power plant, it could be delayed if the governor does not give the green light. The paper also conjectured that the defeat of a candidate backed by the ruling LDP and its junior coalition partner Komeito will likely have an impact on national politics, including the parties' strategy for the next general election, and the GOJ's nuclear energy policy, as well as the management of TEPCO, which operates the Kashiwazaki-Kariwa plant.

